

Brand Identification and Consumer Preferences towards Branded Salon Services in Chennai

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Abstract

The key factor of the study is to find what salon brand consumer prefers and identifies for its use. Times are changing at a very rapid pace in the professional salon industry. Any salon professional, stylist, colourist, or salon owner who has weathered the storm of the salon industry over the last couple of years can tell you one thing for certain; the industry has changed. The sample size used for the study is 120.Total population is 160. Survey method is used to collect the data. Primary data was collected through questionnaires from the consumers. The salon market has not been immune from this phenomenon and salon clients have been willing, able, and even expecting to pay premiums between 12% and 16% for products and services over and above their chemical-based alternatives. More interesting is that salon clients have indicated a heightened level of sincerity about products or services that are marketed as organic, eco-friendly, cruelty-free, or vegan that are priced comparatively to competitive products that are known to be made with less integrity. The data have taken from customers those getting service from all top 10 salon brands. It is concluded as Transparency is everything. Associate a brand with a small, socially responsible, environmentally responsible, ethical niche boutique brand. Organic Salon Industry Trend Remains Very Strong in the market.

Key Words: Professional salon industry, Organic Salon Industry, Transparency

Introduction

After all, industry players point out that the vanity index of any country is directly proportional to increasing per capita income, and the salon industry has been one of the beneficiaries of increasing Indian incomes. Shahnaz Husain, chairman & managing director of her eponymous salon chain: "Over the last two years, demand for beauty services has burgeoned. This is due to the increasing awareness of grooming and global trends coupled with pressures in a competitive work environment and higher disposable incomes."

The salon industry at present is largely unorganised, and will grow at an average rate of 30 percent over the next decade, stated the report. "The average monthly spend of majority (40 percent) of respondents is between Rs 500 - Rs1000," stated the report. Interestingly, Indian men too are getting more beauty conscious than ever and flocking to salons. The report stated that 53 percent men visit a salon once a month and 20 percent visit a salon twice a month. Men are experimenting with the latest services with 67 percent using hair massage and spa.

Consumer preference for a product can make or break a company. If consumers generally like a product, it can stay around for years and sell millions of copies. This is usually done by an internal marketing department or outsourced to a market research firm. Phone interviews, paper surveys, electronic surveys, focus groups and consumer samplings are common methods for gathering information. Any salon professional considering taking a more organic, natural, health conscious, and environmentally friendly approach to their salon services should start with thorough research and due diligence into the product ingredients and reputation. Organic Salon Systems is the worldwide leader in organic salon products and has an impeccable reputation for distributing the most natural, organic, and healthier alternatives that do not sacrifice overall product performance or quality.

Understand the Indian consumer

Creating and offering the best value proposition is key to pleasing and understanding the Indian consumer. Consumers define value according to different parameters:

1. Styling and design
2. Quality
3. Fashion
4. Customer service
5. The buying experience

Consumers have demonstrating willingness, and even an expectation, to pay a premium for our products or services. Although product cost only comprises about 10% of a salon's overall service fee, consider companies that do everything possible to keep costs down by being centrally distributed, eliminating the costs of Salon Sales Representatives, and running the most efficient operation possible. Keeping costs down allows manufacturers to even offer organic products at a competitive, if not lower overall cost, of their non-organic competitors.

Review of Literature

(Algesheimer et al, 2005) found that stronger brand community identification leads to greater community engagement and brand loyalty intentions.

(Hennig-Thurau et al.'s, 2000) advocate on identity-related benefit.

Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved **(Aaker, 1991)**.

(Aaker and Joachimsthaler, 2000) A brand needs to carve a vision of how that brand should be perceived by its target audience. The brand positioning helps in prioritizing the focus of the brand identity and resultant communication themes which enable the company to set forth the communication objectives such as the type of message, brand differentiation to be achieved, and themes that appeals to the target customers. Advertising that is creatively executed helps the brand to break the clutter and build strong impact in the target market. The challenges faced by companies in building brands are: to be noticed, to be remembered, to change perceptions, to reinforce attitudes, and to create deep customer relationships

A differentiated, "ownable" brand image can build an emotional and rational bridge from customers to a company, a product, or a service **(Knapp, 2000)**

Revenue for hair and nail salons can be increased by implementing new services such as acrylics, nail art, nail jewelry, pedicures, and auxiliary services like tanning beds, massages and waxes **(StyleCareer.com, 2004)**. Since businesses need to be aware of competition, it is important for them to come up with a slogan that will help them gain as much clientele as they can. "A campaign for Fantastic Sam's Hair Salons reminds consumers that a new 'do will not only make them look good but feel good as well" **(Flass, 2001, p.1)**.

Demanding consumers: Indian consumers are demanding access to products and services that delight and excite them, are of good quality, and provide value for money.

Increasing incomes: Strong GDP performance, capital market growth and the emergence of new industries are creating new millionaires and boosting income levels. This acts as an incentive for consumers to spend more on products. They are also experimenting with brands, trying new products, etc.

Evolving consumption patterns: Traditionally, the focus of Indian consumers was on saving. However, positive macro-economic fundamentals, an evolving retail market, lifestyle influencers, etc. are ensuring that consumers spend more across categories. Other aspects, like the emergence of double-income households, easier access to credit and society's acceptance of self-indulgence, are changing purchasing habits.

Awareness is key: Analysis shows that the highest brand preference increases come after substantial brand awareness is achieved. Additionally, products with high switching cost and risk (e.g., medical systems or electronics) were found to require a much greater investment in awareness-building to increase brand preference.

Analysis and Interpretation

Statistical Analysis

Hypothesis Testing

H1. Age may be the more significant demographic variable to consumer who follow brand in face book.

H2. People visiting unisex salons may be significant association variable towards the preference of single gender salons.

H3. Age may have significant relationship variable towards people visiting more than one salon.

H4. Consumers may prefer the treatments of brand for its Styling.

Correlation Analysis

H1: Age may be the more significant demographic variable to consumer who follow brand in face book.

Symmetric Measures

	Value	Asymp. Error ^a	Std. Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.259	.084	2.909	.004 ^c
Ordinal by Ordinal Spearman Correlation	.259	.085	2.909	.004 ^c
N of Valid Cases	120			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

$r = 0.259$ as the value of r is between -1 & $+1$. There is highly positive correlation between age and user who follow brand in face book. Therefore Age is the main factor for which consumers are more influenced to follow the brand in face book.

Chi-Square

H2: To test People visiting unisex salons may be significant association variable towards the preference of single gender salons.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.088 ^a	1	.043		
Continuity Correction ^b	3.364	1	.067		
Likelihood Ratio	4.113	1	.043		
Fisher's Exact Test				.060	.033
Linear-by-Linear Association	4.054	1	.044		
N of Valid Cases	120				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 22.62.

b. Computed only for a 2x2 table

Chi-Square value is 4.088 for 1 degree of freedom. The P value is .043 which is less than 0.05 level of significance. So it is highly significant. Therefore accept Alternative hypothesis. There is associate difference between people visiting unisex salons and preferences towards unisex salons over single gender salons.

One-Way Anova

H3. Age may have significant relationship variable towards people visiting more than one salon.

ANOVA

do u visit more than 1 salon

	Sum Squares	Df	Mean Square	F	Sig.
Between Groups	2.944	3	.981	4.088	.008
Within Groups	27.847	116	.240		
Total	30.792	119			

Cal value is 4.088. Degrees of freedom **(3,116)**. P value = **0.05**. Table value =**2.7**. **Therefore accept alternative hypothesis. There is some significant relationship between age and people visiting more than one salon.**

Kruskal Wallis Test

H4. Consumers may prefer the treatments of brand for its Styling.

Different Styles

SALON	1		2		3		4	
Toni&guy	8	21.5	0	1	36	33	14	28
Style mantra	7	18.5	6	15.5	11	24	2	2.5
Page3	3	7	3	7	8	21.5	5	14
Green trends	12	25.5	42	34.5	10	23	31	32
Naturals	25	31	15	29	13	27	42	34.5
Bounce	4	12	2	2.5	19	30	12	25.5
Studio elite	4	12	3	7	3	7	7	18.5
Naturals lounge	7	18.5	1	2	7	18.5	3	7
Studio elite	3	7	3	7	6	15.5	4	12

State alpha: $\alpha=0.05$. **Degrees of freedom:** $df = k- 9$

$n_1=4, n_2=4, n_3=4, n_4=4, n_5=4, n_6=4, n_7=4, n_8= 4, n_9=4$

$R_1 = 83.5, R_2 = 60.5, R_3 = 49.5, R_4 = 115, R_5 = 121.5, R_6 = 70, R_7 = 44.5, R_8 = 46, R_9 = 41.5$

CALCULATION: $N=36$

$$H = \frac{12}{N(N+1)} \left(\frac{(R_i)^2}{n_i} \right) - 3(N+1)$$

$$H = 12 / 36(36+1) \left[\frac{83.5^2}{4} + \frac{49.5^2}{4} + \frac{60.5^2}{4} + \frac{115^2}{4} + \frac{121.5^2}{4} + \frac{70^2}{4} + \frac{41.5^2}{4} + \frac{44.5^2}{4} + \frac{46^2}{4} \right] - 3(36+1)$$

H=5.64

Static Result

Table value for $df= 8$ is 15.50. $H=5.64(8, N=36), p>0.05$.

$H= 5.64$ is not greater than the table value 15.50 we do not reject the null hypothesis

Hence there is no significant difference among the different treatments given by different brand salon styling.

Results

There are 160 consumers who respond to the survey and out of which 120 consumer were taken for the survey on brand identification and their preferences towards salon industry.

From the survey we found that Out of 120 respondents 50% are female and 50% are male respondent to the survey. Among 120 respondents, a majority 42.5% of the consumer belong to the age of 22-25.

Out of 120 respondents, the entire consumers (100%) visit the salon. Out of 120 respondents, a majority 53.3% of the consumer visit the salon once in a month. Among 120 respondents, it is clear that 50.83% of the consumer not visited the unisex salon. Among 120 respondents, it is clear that 61.66% do not prefer unisex salon over a single gender. Out of 120 respondents, a majority 75% do not visit more than one salon service. Out of 120 respondents, a majority 40.83% get updates on Magazine AD's. Out of 120 respondents, compared with Naturals a majority 90% are not aware of the celebrity towards green trends. Out of 120 respondents, a majority 61.66% do not follow a brand in face book. It is inferred that for imagery relation majority 25 of the respondent suggested that styling 1 suit Naturals. It is inferred that for imagery relation majority 42 of the respondent suggested that styling 2 suits Green Trends. It is inferred that for imagery relation majority 36 of the respondent suggested that styling 3 suits Tony & guy. It is inferred that for imagery relation majority 42 of the respondent suggested that styling 4 suits Naturals. Top of the mind recall-It is inferred that recalling the salon from people mind Naturals stands in Rank 1 and Rank 2. Top of the mind recall-It is found that Naturals lounge stands rank 3. Top of the mind recall-It is found that studio profile stands rank 4. It is analysed that there is associate difference between

people visiting unisex salons and preferences towards unisex salons over a single gender salons. It is observed that there is significant difference between gender and visit to more than one salon.

Suggestions

Professional beauty industry better understand consumer attitudes toward salons and their services. Change in demography: Rising incomes & growing literacy are likely to drive higher per capital expenditures on Beauty cares. Evolving consumer habits as well as patterns, changing life style have tempered the way in which consumer visits the salon as well as purchase beauty products. Consumer seeks a more comfortable & friendly hospitality & good environment. Consumer attitudes towards salon professionals have become increasingly positive. Clients trust their stylists & perceive them as reliable professionals. So Green Trends stylist can give ideas which styling suits for customers. So that they can enjoy the services.

To make the brand recognize - by holding an emotional connection with people by using strategy like offer, trends circle membership cards, giving coupons, sending birthday wishes by SMS, special offers, etc, to stimulate consumption levels, companies can use creative and innovative promotion tools for consumer to talk about their service and elicit consumer's purchase interest. Other tools, such as involving consumers in delivering the service and developing referral incentive scheme are also beneficial to establish positive word – of – mouth. Creating brand awareness will let the people to recall the Green Trends in their top of the mind.

Conclusion

After analysing the fact we came to conclusion that Green Trends salon industry is growing day by day. This conclusion is based on overall information collected from customer. Their current scenario, need some object oriented and bit dynamism in the strategy. The company just need to create new global awareness, encourage major players to invest in the companies. Advertisement in TV, such as newspaper and magazines, especially women's magazine are very common, offers can distributed to individual houses and it can be attached in magazines free gifts are given during promotion periods and are advertised in the local major newspapers on the web. According to industry the market is saturated, with many different types off products, and in the long run, established brands that emphasize quality and service will have the edge. The company should take in strategic steps and planning to revive its brand image accordingly. However, the company, if concentrates on the following factors will able to face tough challenges with other salon industries. Still there is a need to promote Green Trends to reach the Top level of the Salon industry. Monthly survey should be conducted to improve its brand image and increase the customer loyalty. Any salon professional considering taking a more organic, natural, health conscious, and environmentally friendly approach to their salon services should start with thorough research and due diligence into the product ingredients and reputation. Organic Salon Systems has an impeccable reputation for distributing the most natural, organic, and healthier alternatives that do not sacrifice overall product performance or quality. Atmospherics of a salon are important, because they help customers relax as they enjoy the services a salon has to offer. Music and tone levels are important, because they set the general mood.

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